

General Government





General Government

<u>Original Appropriations</u>	<u>FY 1997</u>	<u>FY 2007</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<u>By Department or Division</u>				
Administration, Dept.	\$41.0	\$97.9	9.1%	138.9%
Administration, Dept.	22.1	45.0	7.4%	103.5%
Building Fund Adv. Council	16.6	52.4	12.2%	215.8%
Capitol Commission	---	.5	---	---
Personnel Commission	2.3	---	---	(100.0%)
Attorney General	11.4	16.4	3.7%	43.3%
Controller, State	11.7	13.2	1.2%	12.5%
Governor, Executive Office of	60.1	109.6	6.2%	82.4%
Aging, Commission on	9.3	13.0	3.4%	39.8%
Arts, Commission on the	---	1.8	---	---
Blind and Visually Impaired	3.4	3.9	1.3%	13.5%
Financial Management, Div.	3.4	2.1	(4.8%)	(38.7%)
Governor's Office	2.1	1.7	(2.2%)	(19.6%)
Human Resources, Div.	---	2.9	---	---
Human Rights Commission	.6	.9	4.1%	48.8%
Insurance Fund, State	10.6	---	---	(100.0%)
Investment Board	.5	---	---	(100.0%)
Liquor Dispensary	8.5	15.3	6.1%	80.7%
Military Division	15.8	53.6	13.0%	240.5%
Public Empl. Retire. Sys.	5.8	6.4	0.9%	9.5%
Species Conservation	---	8.0	---	---
Women's Commission	.0	.0	0.5%	5.4%
Legislative Branch	8.7	13.4	4.4%	53.6%
Lieutenant Governor	.1	.1	2.1%	23.2%
Revenue & Taxation, Dept.	21.6	33.0	4.3%	52.6%
Tax Appeals, Board of	.2	.4	8.5%	125.6%
Tax Commission, State	21.5	32.6	4.3%	52.0%
Secretary of State	3.8	2.5	(4.2%)	(34.6%)
Arts, Commission on the	1.7	---	---	(100.0%)
Secretary of State	2.1	2.5	1.8%	19.5%
Treasurer, State	1.4	2.0	3.8%	45.2%
Treasurer, State	1.4	1.9	3.2%	37.3%
Idaho Millennium Fund	---	.1	---	---
Total	\$159.9	\$288.0	6.1%	80.2%

Continued on next page

General Government

<u>Original Appropriations</u>	<u>FY 1997</u>	<u>FY 2007</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<u>By Fund Source</u>				
General	\$50.9	\$89.0	5.8%	74.9%
Dedicated	86.6	133.9	4.5%	54.7%
Federal	22.4	65.2	11.3%	190.8%
Total	\$159.9	\$288.0	6.1%	80.2%

Numbers Displayed in Millions of Dollars and May Not Add Due to Rounding

- ◆ The Capitol Commission was formed in 1998 to preserve the State Capitol building.
- ◆ The functions of the Personnel Commission were transferred to the Office of the Governor in FY 2000 and reorganized as the Division of Human Resources.
- ◆ In 2003 the Legislature moved the Commission on the Arts out from under the Secretary of State and placed it within the Office of the Governor.
- ◆ In 1998, the Legislature changed the State Insurance Fund from a state agency to an "independent body corporate politic". As a result, its funding is no longer subject to review and appropriation by the Legislature.
- ◆ In 1998, the Legislature moved the Endowment Fund Investment Board out from under the Office of the Governor and placed it under the Land Board.
- ◆ The Office of Species Conservation was created by the Legislature in 2000 at the request of the Governor.
- ◆ The Idaho Millennium Fund was established by the Legislature in 2000 as the repository of all funds received by the State of Idaho under the tobacco Master Settlement Agreement. Beginning in FY 2004, only the non-governmental organization projects are shown in the appropriated amount. The government project appropriations are transferred to, and shown in, their respective agency budgets.

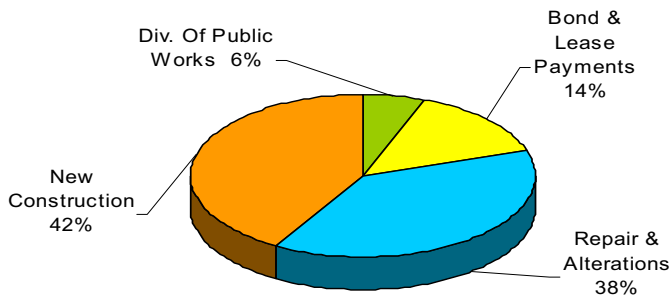
Permanent Building Fund or Capital Budget

Historical Sources of Revenue
(in millions)

Revenues	FY 03	FY 04	FY 05	FY 06 est	FY 07 est
Income Head Tax	5.7	5.7	5.5	5.9	5.7
Cigarette Tax	6.7	6.4	6.4	6.4	6.5
Beer Tax	1.3	1.4	1.4	1.5	1.5
Sales Tax*	5.0	5.0	5.0	5.0	5.0
Lottery	9.0	10.3	12.5	11.5	13.5
Budget Res. Interest	1.1	0.0	0.4	0.7	4.0
PBF Interest Earnings	4.1	0.8	1.4	0.4	1.4
<i>Subtotal</i>	32.9	29.6	32.6	31.4	37.6
General Fund money	65.0	0.3	0.0	0.0	21.0
GRAND TOTAL	97.9	29.9	32.6	31.4	58.6

*The table does not reflect periodic reappropriations or other miscellaneous revenue nor cigarette tax revenue earmarked for Capitol Restoration purposes.

FY 2007 Permanent Building Fund Appropriation \$65,560,200*



*FY 2007 appropriation includes bond payments, division of public works appropriation, alteration and repairs, and capital construction projects. FY07 revenue includes a one-time \$21 million transfer from the General Fund. A five-person Advisory Council directs the Permanent Building Fund. Its membership consists of two legislators (one each from the House and Senate), one banker, one contractor and one member of the business community.

Permanent Building Fund

FY 2007 Appropriation—\$65,560,200

For FY 2007 the Legislature allocated the available Permanent Building Fund money into roughly three areas: about \$27.3 million was approved for six new capitol construction projects; about \$25.1 million was approved for state-wide building maintenance (alteration and repair); and about \$9.3 million was approved as bond payments on building projects approved in the past. The six new capital projects include the following:

- ◆ \$3,861,300 for a new facility for the Idaho State Police in Meridian. This will allow ISP to consolidate various functions into a single facility.
- ◆ \$693,000 to renovate the Armory in Pocatello.
- ◆ \$2,079,000 to the Department of Commerce and Labor for a new Canyon County Job Services facility.
- ◆ \$4,392,000 for a 24-bed mental health unit for the Department of Juvenile Corrections in Nampa.
- ◆ \$302,000 for a new parking garage at the Veterans' Home in Pocatello.
- ◆ \$16,000,000 for a 300-bed medium security expansion of the Idaho Correctional Center in Boise.

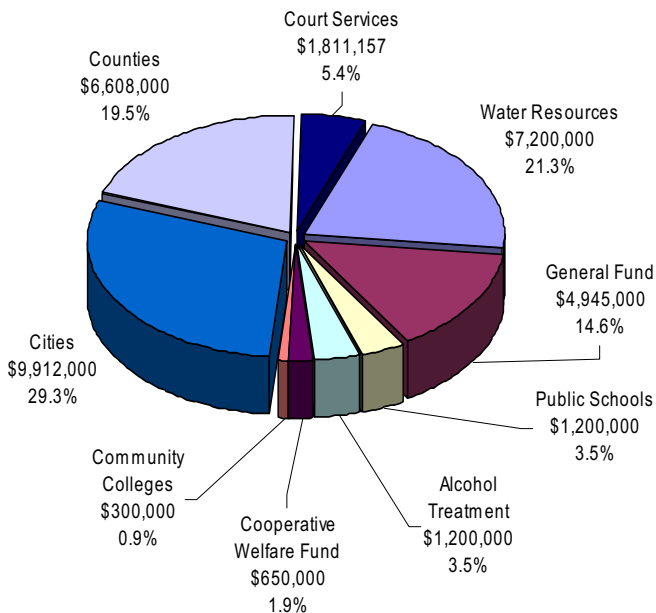
Statehouse Restoration

HCR 47

The Legislature, through HCR 47, approved going forward immediately to restore and expand Idaho's Capitol Building. The expansion will include two-story, garden-level wings to house larger, more modern hearing rooms that will improve public access to the legislative process. The 2005 Legislature provided funding for the restoration and related efforts via H 386a, which provided that a portion of cigarette tax revenues would be provided to the Permanent Building Fund to be used for the repair, remodel and restoration of the Statehouse until such time as the restoration is adequately funded as certified by the director of the Department of Administration. Cigarette tax revenues earmarked for the project are estimated to be between \$25 million and \$30 million annually.

FY 2005 Distribution of Liquor Dispensary Earnings

Total = \$33,826,157



Statutory Profit Distribution Formula

Two percent surcharge on liquor sales to the Drug Court and Family Court Services Fund.

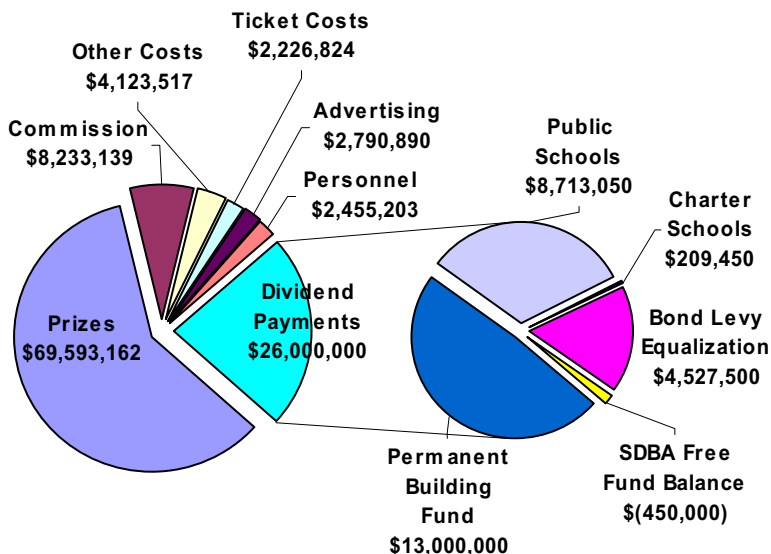
One time appropriation of \$7.2 million to Water Resource Board Revolving Development Fund.

Annual fixed distributions totaling \$8,295,000 to General Fund, Public Schools, Alcohol Treatment Fund, Cooperative Welfare Fund and Community Colleges.

Remainder of profits distributed as follows:

- 40% to counties in proportion to sales in each county.
- 60% to cities as follows:
 - 90% to those incorporated cities with liquor stores in proportion to sales.
 - 10% to those incorporated cities without liquor stores in proportion to population.

Where the Lottery Revenues went in FY 2005



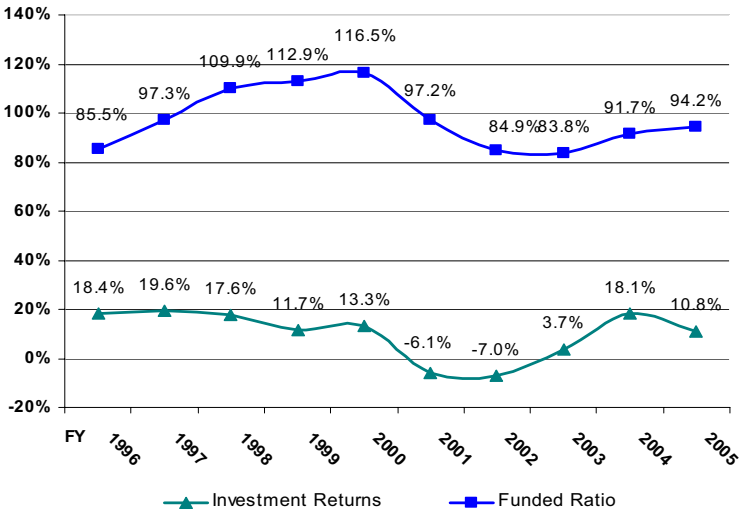
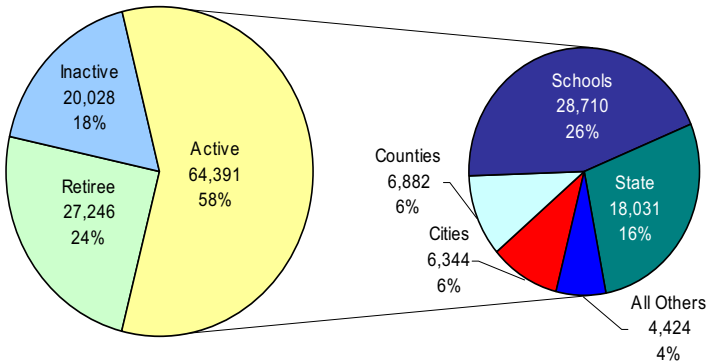
State lottery revenues are derived from the sale of lottery tickets and deposited into the State Lottery Fund. The Fund is used to pay agency administrative costs including personnel, operating, and capital outlay. Other expenditures authorized from the State Lottery Fund, and appropriated on a continuous basis, include expenses for prizes, retail commissions, and advertising and promotion costs.

Per Idaho Code section 67-7434, a lottery dividend must be paid annually from net income of lottery ticket sales. One-half of the dividend is paid to the state Permanent Building Fund and the other half of the dividend is paid to the School District Building Account. In FY 2005 the total dividend was \$26,000,000.

The State Board of Education spent the majority of the FY 2005 lottery dividend on maintaining, furnishing, and/or purchasing sites for public school buildings across the state. Charter schools received \$209,450 for maintenance or construction costs. The Bond Levy Equalization Fund received \$4,527,500 and the State Board had a negative balance of \$450,000 in the School District Building Account.

Public Employee Retirement System of Idaho

684 employer units belong to PERSI, for a total system membership of 111,665



The PERSI Base Plan experienced a 10.8% gross return on investments in FY 2005, which equals nearly \$770 million in net investment gain. As of July 1, 2005, the PERSI Base Plan fund was valued at \$8.23 billion, up from \$7.43 billion the prior year. PERSI's unfunded actuarial liability at 6.2 years is less than the 25-year amortization period required by law. In November 2002, the PERSI board approved a total contribution rate increase (including employee and employer rates) of 3% to be phased-in over three years, beginning in FY05. The second rate increase scheduled for FY 2006 was postponed for two years. At the end of the phase-in, contribution rates will be at the same level they were prior to November 1997 when rates were originally reduced 3%.

Idaho Millennium Fund

\$ Millions

Fiscal Year	Beg. Market Value	Receipts	Transfer s to Gen. Fund	Earnings / (Losses)	Transfer s to Approp.	Ending Market Value
2000		\$ 29.7		\$.5	(\$4.)	\$ 29.8
2001	\$ 29.8	\$ 22.8		(\$2.1)	(\$1.8)	\$ 48.8
2002	\$ 48.8	\$ 26.6	(\$19.3)	(\$4.2)	(\$2.4)	\$ 49.3
2003	\$ 49.3	\$ 26.7	(\$70.3)	(\$.72)	(\$4.9)	\$0
2004	\$0	\$ 22.8		(\$.06)	\$0	\$ 22.8
2005	\$ 22.8	\$ 23.2		\$.6	(\$1.9)	\$ 44.6
2006	\$ 44.6	\$ 21.3		\$ 2.1	(\$.3)	\$ 67.7
2007	\$ 67.7	\$ 24.4		\$ 4.2	(\$1.4)	\$ 94.9
2010	\$ 165.8	\$ 32.1		\$ 9.9	(\$5.2)	\$ 202.6
2015	\$ 355.8	\$ 33.4		\$ 20.6	(\$14.2)	\$ 395.6
2020	\$ 555.3	\$ 32.2		\$ 31.8	(\$24.0)	\$ 595.3
2025	\$ 761.9	\$ 33.9		\$ 43.4	(\$33.8)	\$ 805.3

- ◆ The 2000 Legislature established the Idaho Millennium Fund as an endowment fund structure to receive, invest and disburse funds that the state receives as a result of the master settlement agreement reached with tobacco companies. This legislation preserves the long-term capital value of these funds through a 5% annual distribution rule. Fund investments are managed by the State Treasurer.
- ◆ There is **NO** statutory restriction on how the money in the fund may be used. Idaho Code §67-1802 provides that “the uses of this fund shall be determined by legislative appropriation.”

Proposed Constitutional Amendment and Legislation

- ◆ During the 2006 Legislative Session, the Senate proposed legislation to codify the provisions of Senate Joint Resolution 107 that proposes a constitutional amendment to endow the Idaho Millennium Permanent Endowment Fund. Legislation would become effective upon passage of the constitutional amendment.
- ◆ The constitutional amendment mandates that 80% of future tobacco settlement payments be placed into an endowment fund and that the remaining 20% be placed into the already existing Idaho Millennium Fund. Annual distributions from both of these funds will be made to the Idaho Millennium Income Fund. The legislature will have the authority to spend funds in both the Idaho Millennium Fund and the Idaho Millennium Income Fund.
- ◆ The legislation also establishes a cap of \$100 million on the Idaho Millennium Fund. Once the cap is reached, excess distributions will be transferred to the Idaho Millennium Permanent Endowment Fund.